



February 13, 2004

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## ENGROSSED SENATE BILL No. 226

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DIGEST OF SB 226 (Updated February 11, 2004 4:41 pm - DI 92)

**Citations Affected:** IC 6-1.1; noncode.

**Synopsis:** Delinquent personal property taxes. Requires a creditor that acquires and transfers personal property on which the creditor holds a lien and on which personal property taxes are delinquent to pay the delinquency from the proceeds of the transfer before applying the proceeds to the lien. Requires creditors that come into possession of personal property on which property taxes are owed to file a delinquent personal property tax form with the county treasurer.

**Effective:** July 1, 2004.

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### Skillman

(HOUSE SPONSORS — STEVENSON, SAUNDERS, KOCH)

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January 8, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

January 15, 2004, amended, reported favorably — Do Pass.

January 20, 2004, read second time, ordered engrossed.

January 21, 2004, engrossed.

January 22, 2004, read third time, passed. Yeas 49, nays 0.

#### HOUSE ACTION

February 4, 2004, read first time and referred to Committee on Ways and Means.

February 12, 2004, amended, reported — Do Pass.

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ES 226—LS 6716/DI 52+



February 13, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 226

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A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-23-1, AS AMENDED BY P.L.173-2003,  
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2004]: Sec. 1. (a) Annually, after November 10th but prior to  
4 August 1st of the succeeding year, each county treasurer shall serve a  
5 written demand upon each county resident who is delinquent in the  
6 payment of personal property taxes. The written demand may be served  
7 upon the taxpayer:  
8 (1) by registered or certified mail;  
9 (2) in person by the county treasurer or the county treasurer's  
10 agent; or  
11 (3) by proof of certificate of mailing.  
12 (b) The written demand required by this section shall contain:  
13 (1) a statement that the taxpayer is delinquent in the payment of  
14 personal property taxes;  
15 (2) the amount of the delinquent taxes;  
16 (3) the penalties due on the delinquent taxes;  
17 (4) the collection expenses which the taxpayer owes; and

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(5) a statement that if the sum of the delinquent taxes, penalties, and collection expenses are not paid within thirty (30) days from the date the demand is made then:

(A) sufficient personal property of the taxpayer shall be sold to satisfy the total amount due plus the additional collection expenses incurred; or

(B) a judgment may be entered against the taxpayer in the circuit court of the county.

**(c) For the purpose of satisfying a creditor's lien on personal property, the creditor of a taxpayer that comes into possession of personal property on which the taxpayer is delinquent in the payment of personal property taxes must pay in full the delinquent personal property taxes to the county treasurer from the proceeds of any transfer of the personal property made by the creditor or the creditor's agent before applying the proceeds to the creditor's lien on the personal property.**

**(d) This section applies to transfers made by a creditor after May 10, 2005. Before a creditor transfers personal property described in subsection (c) on which delinquent personal property taxes first due and payable after December 31, 2004, are owed, the creditor must obtain a delinquent personal property tax form from the county treasurer and file the completed form with the county treasurer. The creditor must provide the name and address of the debtor and a specific description of the personal property subject to subsection (c) to the county treasurer when making this request.**

**(e) The state board of accounts shall prescribe the delinquent personal property tax form. The form must require the submission of the following information:**

**(1) The name and address of the debtor, as identified by the creditor.**

**(2) A description of the personal property identified by the creditor and in the creditor's possession at the time the form is filed.**

**(3) The assessed value of the personal property, as determined under subsection (f), identified by the creditor and in the creditor's possession at the time the form is filed.**

**(4) The amount of delinquent personal property taxes owed on the personal property, as determined under subsection (f), as identified by the creditor and in the creditor's possession at the time the form is filed.**

**(5) A statement notifying the creditor that IC 6-1.1-23-1 requires that a creditor, upon the liquidation of personal**

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1           property completed for the satisfaction of the creditor's lien,  
2           shall pay in full the delinquent personal property taxes owed  
3           on this property in the amount identified on this form from  
4           the proceeds of the liquidation prior to applying the proceeds  
5           to the creditor's lien on the personal property.

6           (f) The county treasurer has fourteen (14) days after the date  
7           that the creditor requests the delinquent personal property tax  
8           form to provide the form to the creditor. The county assessor and  
9           township assessor shall provide assistance, including providing the  
10          appropriate personal property forms filed with the assessor, to the  
11          county treasurer in determining the appropriate assessed value  
12          and delinquent personal property taxes of the personal property  
13          identified by the creditor to accomplish the purposes of this section.

14          SECTION 2. [EFFECTIVE JULY 1, 2004] IC 6-1.1-23-1, as  
15          amended by this act, applies only to property taxes first due and  
16          payable after December 31, 2004.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 226, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE JULY 1, 2004]".

Page 2, line 19, delete "2005." and insert "**2004.**".

and when so amended that said bill do pass.

(Reference is to SB 226 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 226, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 16 and 17, begin a new paragraph and insert:

**"(d) This section applies to transfers made by a creditor after May 10, 2005. Before a creditor transfers personal property described in subsection (c) on which delinquent personal property taxes first due and payable after December 31, 2004, are owed, the creditor must obtain a delinquent personal property tax form from the county treasurer and file the completed form with the county treasurer. The creditor must provide the name and address of the debtor and a specific description of the personal property subject to subsection (c) to the county treasurer when making this request.**

**(e) The state board of accounts shall prescribe the delinquent personal property tax form. The form must require the submission of the following information:**

- (1) The name and address of the debtor, as identified by the creditor.**
- (2) A description of the personal property identified by the creditor and in the creditor's possession at the time the form is filed.**
- (3) The assessed value of the personal property, as determined under subsection (f), identified by the creditor and in the creditor's possession at the time the form is filed.**
- (4) The amount of delinquent personal property taxes owed on the personal property, as determined under subsection (f), as identified by the creditor and in the creditor's possession at the time the form is filed.**
- (5) A statement notifying the creditor that IC 6-1.1-23-1 requires that a creditor, upon the liquidation of personal property completed for the satisfaction of the creditor's lien, shall pay in full the delinquent personal property taxes owed on this property in the amount identified on this form from the proceeds of the liquidation prior to applying the proceeds to the creditor's lien on the personal property.**

**(f) The county treasurer has fourteen (14) days after the date that the creditor requests the delinquent personal property tax form to provide the form to the creditor. The county assessor and township assessor shall provide assistance, including providing the appropriate personal property forms filed with the assessor, to the**

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**county treasurer in determining the appropriate assessed value and delinquent personal property taxes of the personal property identified by the creditor to accomplish the purposes of this section."**

and when so amended that said bill do pass.

(Reference is to SB 226 as printed January 16, 2004.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 7.

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